

26 June 1957

MEMORANDUM FOR: Project Director

SUBJECT: Re-examination of Requirements for Racks

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25X1A2g 1. The following is the result of the re-examination of requirements for racks participated in by [REDACTED] of DD/P (for [REDACTED]). Major Nichols sat with us as observer in the interest of Air Force procurement.

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3. C, E, and F Racks for 6901st and 6902nd: There is as yet inadequate information available on whether immediate read-out by these units in the field will be valuable to decide to give up analysis of System III tapes at the 6901st and 6902nd. However, financial obligation here in any event rests with the Air Force, who have not indicated a desire to abandon these. Accordingly, present scheduled procurement action should proceed.

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4. D Rack: D rack (not included in our last programming presentation) is now available from Haller, Raymond & Brown at a substantially reduced cost per unit from that estimated by R-W. Air Force has authorized procurement of thirteen of these racks, funds to be available 1 July. Agency needs for the D rack: one each at Base A, B, C, NTPC, Barton Hall, and [REDACTED]. These six racks will cost approximately \$50,000. It should be recalled that the justification for D is that the collection for Systems I, IV, and V is much more extensive per unit of time than any equipment heretofore used. The read-out of this volume of material without the D rack will require a substantially greater low level use of high level professional time.

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5. On the basis of past experience and anticipating that we are not likely to receive more than three tapes per month, it is believed that one M rack instead of two for NTPC will be adequate. This will be a saving of \$15,000.

6. If System IV were not to be operational, and taking into account those racks essentially completed for System IV and those needed for System V, the following racks could be eliminated: L racks - 1; M racks - 3; N racks - 2. The dollar savings involved here may be limited to labor costs because component procurement has already been authorized. This will come out as a saving of about \$100,000. This statement does not include savings of labor or component costs which might follow from a discontinuance of production of System IV collection equipment itself.

7. Conclusion:

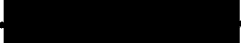
a. On the basis of this review, it is concluded that the procurement requests of the past still stand except as modified above. The saving in paragraphs 2 and 5 above amounts to \$35,000. The new cost in 4 amounts to \$50,000. The net increase over the explanation given to General Cabell in your memorandum of 17 April (SAPC-14854), therefore, is \$15,000.

b. If System IV does not become operational, the saving will be \$100,000 approximately. This, added to conclusion a above, would leave a net saving of about \$85,000.

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JAMES Q. REBER
Intelligence Requirements Officer

JQR:cw

- 1-Project Director
- 2-Deputy Project Director
- 3-Contracting Officer
- 4-ELINT Staff Officer
- 5--DD/P
- 6-file
- 7-chrono

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